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**A RAND NOTE**

**European Security in the 1990s:  
Uncertain Prospects and Prudent Policies**

**Robert A. Levine**

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# A RAND NOTE

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## European Security in the 1990s: Uncertain Prospects and Prudent Policies

Robert A. Levine

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## **PREFACE**

**This Note examines ways of thinking about public policy in general, and security policy in particular, in light of the rapidly changing political and economic face of Europe. Prepared as a contribution to the September 1990 RAND/Istituto Affari Internazionale conference on NATO's Southern Region, the Note was supported by RAND, using its own funds.**

## **SUMMARY**

The rapid and extreme changes taking place in Europe—most prominently, the breakup of the Soviet empire and the reunification of Germany—have led to an environment of extreme, multidimensional uncertainty. This uncertainty demands a focus on adaptive short-run planning that is sensitive to the underlying factors and that responds to prudent policies. This Note therefore has three purposes:

- To restate the case for adaptive short-run planning for Europe at a time of rapid change and great uncertainty.
- To structure systematically a set of underlying factors that should be considered in all current planning for European security, whether short or long run. By examining such factors rather than immediate events, its utility as policy analysis may last more than a month or two.
- To suggest precepts for prudent policies appropriate to current uncertainties.

The short-run emphasis advocated here is not presented as a precept for all occasions. This environment is, for example, very different from the 40 years after World War II, during which the certainty of East-West hostility provided a firm frame of reference for NATO planning. Europe is a much better place now that we have won the Cold War. Nonetheless, the uncertainties stemming from the current radical turn in history are widespread, with many of them based on the economics of a continent reconstructing itself. The sources of uncertainty include

- Changing international interactions. The roles of the major players in Europe have changed sharply from the Cold War pattern.
- The strong influence of economic considerations on the political processes by which policies are made. Together with perceptions of the rapidly attenuating military threat from the Soviet Union, this means that security policy is increasingly sensitive to major shocks exogenous to the security realm as such; most of these are economic.

- Perhaps most important, Soviet economics and the likelihood of Soviet economic collapse.
- The economics of other Eastern European countries.
- German economics, especially the implications of the difficult reconstruction of the economy of the east for Germany's economic and political role in Europe.
- The European Community (EC) and its transatlantic relationships.
- Budget constraints.
- Demography, particularly the demography of immigration and other population movements.
- The dialectic of rapid change, which is much more difficult to predict than the slow changes of the Cold War.
- The difficult dynamics of transition from one relatively steady state to another.
- The reassertion of nationalism.
- The growing impact and unpredictability of "out of area" events.
- The effects on security of open elections, both in the East and the West.

The list is long, but it does not even address the further compounding of the overall problems by a time scale on which changes in one can change the range of possibilities for others, perhaps radically. Economic problems can influence election results that can lead to changes in security structure, for example.

For military planners, the implications of these uncertainties are substantial. They suggest a continuing need for NATO, and for U.S. troops and nuclear weapons in Europe as a political/military hedge against the uncertain future, but such political/military functions are difficult to use as bases for specific force sizes or postures. The old rationale for the NATO military posture—the threat of a Warsaw Pact conventional attack overwhelming Western Europe—is clearly dead. What is needed now is a new rationale that can serve both as a basis for military planning and a means of retaining voter/taxpayer support for still necessary defense expenditures.

One possible rationale would be based on a continued but much attenuated threat of purposeful Soviet (or Russian) attack to the West. It is specific enough to structure military planning and may still be plausible enough to retain public support for at least a

few years. The implied posture would stress reinforceability of NATO forces, mobility, and residual theater nuclear deterrence. It could utilize integrated multinational forces. An alternative rationale would be based on the uncertainties themselves, with a purposeful Soviet or Russian attack far down on the list, although more random dangers from the east would rank much higher. While the uncertainty rationale seems to indicate a military posture similar to that based on the attenuated deliberate attack—reinforceability, mobility, and residual nuclear deterrence—uncertainty provides planners with little basis for estimating force size or posture requirements. In addition, this rationale could discourage multinationalism; future unfolding events might well be interpreted differently by different nations. Because the uncertainty rationale would be closer to the real reasons for continuation of NATO and the U.S. troop presence, however, it might be acceptable to American and other publics for a longer period of time.

The more general conclusions are based on four precepts, each of which stems from the central need for prudence in the face of uncertainty. Prudence is not identical to conservatism: The dictionary definition of prudence is "the ability to govern and discipline oneself by the use of reason." The four precepts are as follows:

- *Hold on to what has worked.* This is conservative; it implies holding to and promoting existing successfully functioning organizations, e.g., NATO and EC, while carefully building new ones, perhaps based on the Conference on European Security and Cooperation (CSCE) and the Western European Union (WEU). But it cautions against moving to substitute the new for the old on the basis of hopes for change.
- *Hedge against that which is uncertain and dangerous.* The worst dangers stem from the Soviet Union/Russia (although as noted, purposeful aggression is the least plausible of these) and from "out of area" threats. The hedges needed here provide another major reason for continuation of NATO.
- *Support positive movement.* With all the uncertainties, the most likely directions for change are hopeful, at least for Western Europe. German economic reconstruction is most likely to work. Meshed properly with West European integration, it is likely to create an economically powerful and politically stable entity from the Atlantic to the Oder-Neisse, and that entity

will be capable of reconstructing and stabilizing Eastern Europe, perhaps even including what is now the Soviet Union.

- *Act to avoid or forestall that which without action would be certain and dangerous.* The action called for here is far from conservative. The real danger to Europe (and the world) is the collapse of the Soviet Union, or of a Russian successor state, and the consequent security risk of still-major conventional and nuclear power not completely under control. The most serious threats are ethnic and nationalistic, about which the West can do little, and economic collapse, with which *perhaps* we can help. What is needed is neither economic assistance before collapse—it is already too late for that—nor economic assistance as a reward for reform. Rather, assistance should be part of a planned process to turn the Soviet/Russian economy around.

This remains a perilous world; the Iraqi invasion of Kuwait and subsequent events have demonstrated that. For Europe, the perils may be less than the high hopes, but the perils must be overcome to achieve the hopes. Hopeful times are not always easy times, and prudence and common sense dictate looking down at the next steps on the narrow path, even at the cost of taking our eyes off the horizon.

## **ACKNOWLEDGMENTS**

Earlier versions of this Note were critiqued by Charles Cooper, James Hodges, Robert Komer, Horst Mendershausen, and David Ochmanek of RAND; by Colonel James Moore of the United States Air Forces, Europe; and by Captain Ulrich Weisser of the German Navy. This version moves part of the way toward their suggestions.

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## I. INTRODUCTION

Men having often abandoned what was visible for the sake of what was uncertain, have not got what they expected, and have lost what they had . . .

—Demetrius Phalereus, quoted by Athenaeus

It is certain because it is impossible.

—Tertullian

The strength of ancient Germany appears formidable when we consider the effects that might have been produced by its united effort.

—Edward Gibbon<sup>1</sup>

In a recent RAND Note, David Ochmanek and I presented a "transition strategy" for United States security policy in a rapidly changing Europe.<sup>2</sup> The central theme was that the extreme uncertainties consequent upon the breakup of the Soviet empire and the reunification of Germany should lead to a focus on getting through the short-run transition to a long-run steadier state, rather than trying to design for the long run now.

This Note has three purposes:

- To restate the case for adaptive short-run planning for Europe at this time of rapid change, in a way less closely tied than the earlier study to day-to-day issues.
- To structure systematically a set of underlying factors that should be considered in all current planning for European security and stability, whether short or long run. By examining such factors rather than immediate events, its utility as policy analysis may last more than a month or two. The failure of the world to hold still for analysis has been a chronic problem since at least 1987; in the fall of 1989, it turned acute.
- To suggest precepts for prudent policies appropriate to current uncertainties.

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<sup>1</sup>Gibbon, Edward, *The Decline and Fall of the Roman Empire*, Modern Library, New York, Undated, Vol. I, p. 203.

<sup>2</sup>Levine, Robert A. and David A. Ochmanek, *Toward a Stable Transition in Europe: A Conservative/Activist Strategy for the United States*, RAND, N-3106-AF, May 1990.

The "long run" and the "short run" are of course not distinct time periods; rather, the long run is made up of a series of short runs. Nor can one shift back and forth from long- to short-run criteria for setting and evaluating policy. Rather, policy always depends on a mix of considerations, both long-run "goal oriented" (where we want to be at some future point) and short-run (the immediate effect of a proposed measure). The operational question is: What should be the relative weights of the two sorts of factors in any given set of decisions at any given time?

The central contention of this analysis is that now, *at the beginning of the 1990s, the uncertainties of Europe's security future are so much greater than they were for the hostile but basically stable Cold War years from the Berlin blockade and airlift to the onset of Gorbachev that consideration of immediate effects must dominate until we reach a new "steady state."* The overwhelming constant in the earlier steady state was the knowledge that the Soviet Union was the opponent. Soviet hostility was sometimes aggressive, sometimes defensive, sometimes opportunistic, but it was always dangerous. Now the constant has become a very uncertain variable. The world, and Europe in particular, is fundamentally much better off because we have won the Cold War. We can hope and even believe that the steady state of the future will be far less hostile than that of the 1950s, 1960s, and 1970s. Nonetheless, getting from here to there may present many new dangers—dangers that must be overcome to fulfill our high hopes and those of the Europeans.

The short-run versus long-run distinction is an abstract one. Given that policy will always be based on a mix of the two, is the distinction meaningful? For now, the answer is yes, because long-run considerations in a time as uncertain as the present are too frequently allowed to direct or interfere with important short-run policy steps. Two cases illustrate the point:

The controversies in 1987 over the Intermediate-Range Nuclear Forces (INF) treaty and in 1989–1990 about NATO decisions on Short-Range Nuclear Forces (SNF) provide one example. Both debates were characterized by antitreaty contentions that the proposed disarmament measures would be the first steps down the "slippery slope" to full denuclearization of Western Europe. In both INF and SNF weapon categories, however, the Soviets possessed and were offering to destroy many more weapons than NATO. Long-run linear projections running from fewer American nuclear weapons in Europe to zero American nuclear weapons in Europe had no basis in deductive or political logic; an

increased emphasis on the importance of residual weapons seemed at least as likely as a headlong rush to zero. Had these "slippery slope" arguments prevailed, a major opportunity for arms reduction would have been missed.

If the INF/SNF case illustrates a paranoid use of long-run considerations to challenge change, the second example suggests an overenthusiastic use of the long run on behalf of premature change. Discussion of future security "architectures" for Europe frequently turn to the Conference on Security and Cooperation in Europe (CSCE), a forum including all Western and Eastern European nations, except Albania, and the United States and Canada. That CSCE should be transformed from a forum to an institution with a current function of helping resolve intra-European issues and a hope for some day becoming *the* European-Atlantic security structure—an effective western version of the UN—is a matter of general consensus. But to *anticipate* this new architecture by breaking down the current NATO-based security architecture of Western Europe on the basis of such an anticipation, or to change NATO into a vaguely defined "political" institution by doing away with its quite concrete military functions, as has been suggested by some, would lead to the premature demise of an organization that has been effective for 40 years.

The temptation to look to the fearful or happy future can interfere with what is necessary in the present. In an era of rapid and radical change, this can be quite dangerous.

The next section of this Note addresses the sources of the uncertainties that make long-run prediction a particularly difficult exercise in the early 1990s and long-run planning a particularly questionable guide to current policymaking. The greatest uncertainties are based on the uncertain economics of change in Europe, particularly Eastern Europe, but the list of sources is long and varied:

- Changing international interactions. The roles of the major players in Europe have changed sharply from the Cold War pattern.
- The strong influence of economic considerations on the political processes by which policies are made. Together with perceptions of the rapidly attenuating military threat from the Soviet Union, this means that security policy is increasingly sensitive to major shocks exogenous to the security realm as such; most of these are economic.

- Perhaps most important, Soviet economics and the likelihood of Soviet economic collapse.
- The economics of other Eastern European nations.
- German economics, especially the implications of the difficult reconstruction of the economy of the east for Germany's economic and political role in Europe.
- The European Community (EC) and its transatlantic relationships.
- Budget constraints.
- Demography, particularly the demography of immigration and other population movements.
- The dialectic of rapid change, which is much more difficult to predict than the slow changes of the Cold War.
- The difficult dynamics of transition from one relatively steady state to another.
- The reassertion of nationalism.
- The growing impact of "out of area" events, and the unpredictability of where and how they will occur.
- The effects on security of open elections, both in the East and the West.

The list is long, but it does not even address the further compounding of the overall problems by a time scale on which changes in one can change the range of possibilities for others, perhaps radically. Economic problems can influence election results that can lead to changes in security structure, for example. This is taken up following the discussions of the specific sources of uncertainty.

The last two sections of the Note examine the policy planning implications of current change and compounded uncertainty. The next to last discusses military planning in Europe—the dilemma of the continuing *political* need for a NATO including U.S. troops, and the fading *military* rationale for American and other forces. Finally, some general guidelines for what-next planning over the next several years are adduced. Their general theme, prudence, is not the same as conservatism; it includes some forms of conservatism, but the dictionary definition of prudence can also include active policy where that is necessary to fend off disaster.

## II. UNCERTAINTIES

### CHANGING INTERNATIONAL INTERACTIONS

Until 1989, issues and decisions flowed through the North Atlantic alliance in a stable and predictable pattern. Few major changes were initiated from within NATO; rather, as befits an alliance primarily intended to deter or defeat the Soviet military threat, internal changes were made primarily in reaction to perceived changes in the threat. The first response within NATO ordinarily came from the United States as leader of the Alliance; this was transmitted to the three major European members—the Federal Republic of Germany (FRG), France, and the United Kingdom—with the FRG's position on the front line making it the central European power in both importance and geography, particularly as German economic and military strength grew through the 1960s, 1970s, and 1980s. The other members of NATO followed.

By early 1989, however, the FRG was becoming more of an in-alliance initiator, largely because of its own internal imperatives: the fading of memories of the Nazi era, and the desire for full sovereignty and a political and military role based on present strength rather than "singularization,"—special treatment based on past sins and defeats. The new West German assertiveness was manifest particularly in the fierce NATO debate over the siting of Short-Range Nuclear Forces (SNF), particularly the Follow-on to Lance (FOTL) missile, in the FRG. The U.S. and Britain wanted FOTL; the FRG did not. The FRG did want SNF negotiations with the Soviets. President Bush crafted a compromise putting the issue off until the end of the negotiations on Conventional Forces in Europe (CFE). The FOTL issue disappeared in the wake of the revolutions and the moves toward German unification in late 1989 and 1990, but the issue had in fact been decided long before that, and the new missile system never would have been deployed.

In any case, revolutions and reunification changed the map of European decisionmaking. Rather than the unidirectional flow of previous years, European decisions began from the national corners of a Soviet-German-American triangle or from the lines connecting any two of those nations. In the 1989 "2 + 4" talks between the two Germanys and the four World War II victors, in the CFE negotiations, and most important, in the constant round of one-on-one meetings among the American, West German, and Soviet foreign ministers, the crucial decisions concerned the balance

between the security concerns of a newly unified Germany and those of the Soviet Union, with the United States playing a major role in the balancing process. The other European nations, particularly France and Britain, remain important parts of the balance, but it is their responses rather than their initiatives that must be considered.

The complexity of these issues, and their changing nature, can be illustrated by contrasting two strong points of view that seemed to dominate the debate in the spring of 1990, but which by summer had been made obsolete by events. Such constant change is a new phenomenon in NATO, stemming from the loss of the alliance's fixed anchor, Soviet hostility. The two viewpoints were

- A German-centered view, paradoxically stronger among Americans than Germans, that German needs for security and for treatment as a full, nonsingularized independent sovereignty implied departure of Soviet troops from eastern Germany, without any *quid pro quo* in the form of corresponding departures of U.S. and other allied troops from western Germany or limitations of German rights to decide on their alliance memberships and force sizes. The proponents of this view contended that invidious "singularization" of Germany by imposing special requirements would lead to dangerous German hostility to other nations both West and East. However, the "voluntary" ceiling imposed on German forces by the July 1990 Kohl-Gorbachev agreement caused no such bitterness in Germany or anywhere else.
- A Soviet-centered view, held officially by the Soviets and unofficially by some Germans and Americans, that European stability depended upon satisfaction of the Soviets' felt need for security and that this need included some continuing limitations on Germany, particularly with regard to alliance membership. But once Gorbachev had gotten through the July 1990 Communist Party Congress, he had little difficulty agreeing with Chancellor Kohl on the Western solution, full German membership in NATO.

These viewpoints are not set forth here to evaluate their prognoses or prescriptions, but rather to illustrate the unsteadiness and volatility of both. The debate was hot, the worries deep, and the warnings of long-run disaster emanating from all sides

were dire. And the issues were resolved by the simple common sense of the Kohl-Gorbachev agreement. That agreement was based on

- Removal from Germany of Soviet troops, which was inevitable in any case, for political and economic reasons
- Willing reduction of German forces, which was also inevitable, for budgetary reasons
- Freedom for the Germans to remain in NATO, which they, their allies, most erstwhile Soviet allies, and many in the Soviet Union itself wanted. This allowed policy to move along to the next set of short-run issues and the next set of dire long-run warnings.

Even these three viewpoints, however, and the simple resolution of the seemingly complex Soviet-German-American issues omitted another key set of international relationships. The three-nation triangle is not Europe, and the "everyone else" box is neither empty nor irrelevant. The other key western nations are France and Britain and, increasingly, Italy. Discussions of European security, other than discussions taking place in Britain, France, and Italy, have frequently assumed that these nations and the rest of NATO would come along once the issues were decided among the three nations of the triangle. Perhaps—because of the substantially superior economic and political, as well as military, strength of at least the U.S. and Germany—but not necessarily so. By the time of formal German reunification in October 1990, and largely because of that unification, the hot issue had become the fear of some other Europeans of *too much* German-Soviet entente. That fear was particularly, and not surprisingly, strong in France, given French history and traditional paranoia.

The details of national viewpoints, in or out of the triangle, are not important for this analysis. They are all mid-1990 snapshots illustrating the changing relationships among the key sovereignties determining the future of Europe. Predictably, substantial further change will take place in the next months and years. The central point here is that these shifting international relationships, none of which are controllable by a single super-sovereignty dictating solutions as would a national consensus or parliamentary majority, provide the first of the uncertainties that can make long-run policy planning dangerous if it is taken too seriously.

## **THE IMPORTANCE OF ECONOMICS**

It is a truism that people and nations tend to follow their economic interests as they see them. Their perceptions about what economic measures are in their interest may be wrong (many economists ordinarily think they know better, which may or may not be true), but their economic perceptions govern their political and policy views most of the time. Perhaps even more important, economics imposes stringent constraints on what can be done, by public policy or private endeavor. It provides many examples of the Roman's terse warning quoted at the start of this Note: "It is certain because it is impossible."

For security policy, the economic perceptions of electorates and the economic constraints on decisionmakers are likely to have three effects, particularly at a time of apparent drastic reductions in the security threat:

1. Security decisions will be made by governments chosen on economic grounds with little consideration of their security views. Particularly if world economies are distressed in the next five years, by 1995 security policy may be made by Democrats in the United States, Labourites in Britain, Social Democrats in Germany, and/or conservatives in France—reversing the changes made in each of these countries from 1979 through 1982 for similar economic reasons.
2. The decisions made will be far more subject to resource constraints than they were at the height of the cold war. Perceptions of a reduced military threat from the East are likely to continue to put great pressure on military expenditures in each of these countries.
3. Security interactions among the governments will depend in large measure on their economic interactions. If transatlantic trade is carried out across fortress walls built between blocs, institutions of Atlantic security will be difficult to maintain.

All this is true for the West. In the Soviet Union, continued economic deterioration could lead in almost any direction, as discussed in the next section.

## SOVIET ECONOMICS

*Soviet economic prospects provide the single most crucial uncertainty for Europe's security future.* The likely course of the Soviet economy is all too predictable; the consequences for politics and security are unpredictable and frightening.

Put in terms that are harsh but not exaggerated: In Gorbachev's first five years, the Soviet economy has gotten steadily worse; it shows no signs whatever of taking any turn for the better; the plans set forth by the Soviet government show no real promise of improving the situation; the resistance to such plans, or any radical plans, makes their adoption difficult; were they adopted, the *apparatus* would be likely to preclude their successful implementation; and, perhaps worst of all, not even the best Soviet officials or economists seem able to design better plans.

This does not suggest a bright future for the Soviet Union, or for the central Slavic constituent parts that might remain together if the Union were to split up: the Russian, Ukrainian, and Byelorussian Republics. The ethnic issues that could lead to full or partial disintegration generate the other great cloud over the Soviet future, but these are political issues that may perhaps be solved by compromise or by Gorbachev's proposed confederation. Whether or not Gorbachev is a master politician, however—the conventional wisdom is that he is, but some experts argue the opposite case quite convincingly<sup>1</sup>—he surely is no master economist, nor is it clear that any master economist could work his way through the above obstacles. This has a number of direct implications for European security.

First, the simple belief, held by Soviets and others, that the Soviet Union must reduce its military establishment to free up resources for its civil economy may be accurate over the long run, but is misleading in the short run. The Soviets are clearly not ready to absorb and utilize the manpower that would be released by major force reductions; that this must slow down Soviet withdrawal from East Germany has been recognized by the Germans who are even willing to finance infrastructure within the Soviet Union for returning troops. Such financing, however, will not improve the prospects for absorption of the troops into a productive civil economy, and failure here could lead to a class of underemployed and dissatisfied former officers as in the Weimar Republic. Prospects for turning military industry to civilian production may be brighter,

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<sup>1</sup>See, for example, Jeremy R. Azrael, *Restructuring and the Polarization of Soviet Politics*, RAND, N-3143-A, June 1990.

but the failures of such a turnaround even in presumably more flexible U.S. defense industry do not augur well for the Soviets.

Second, in whatever direction the uncertain Soviet future lies, back to Brezhnev (or Stalin) is the least likely of possibilities. Internally, even if the Soviets were to return to totalitarianism, as is certainly possible, it would be likely to be of a very different sort. One difference of major relevance is that a new Soviet (or Russian) totalitarianism would probably be very much inwardly directed and externally defensive; the 1944-1945 conquests that brought Eastern Europe into the Soviet sphere are not likely to be repeatable. This is strongly underlined by economics: to the extent the Soviet military machine is dismantled under negotiated agreements or unilaterally, it will be nearly impossible to restore under a weakening economy. This does not mean that we need no longer worry about Soviet military power—the Soviet Union will remain a nuclear superpower and it may retain large conventional forces available to fight in Europe—but without the rest of the Warsaw Pact and without the military machine of the 1970s or the real ability to recreate that machine, the military danger from the Soviets will be very different from that we have known.

Third, uncertainty itself will replace the directed threat of the past with a random but still very real danger to European security. It seems extremely unlikely that a deteriorating economy will sustain a stable polity for the long time until the Soviet economy turns around. Strikes and bread riots can bring down governments, and strikes and bread riots have already begun to take place. The issue is not the personal status of Gorbachev; it is what *kind* of regime will govern what is now the Soviet Union as the economic failure becomes clearer. What parts of the current union will it govern? Will it be liberal, *apparats* bureaucratic, neototalitarian, military, or old-Russian fascist? Most frightening: Will it be a regime at all, a civil war as in Russia from 1917-1921, or a set of feudal warlords as in China before Chiang Kai-Shek finally conquered the others in the 1930s?<sup>2</sup> Regardless of the outcome, however, it will possess enormous military power, including world-destroying quantities of nuclear megatonnage.

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<sup>2</sup>Azrael suggests substantial near-term possibilities for a civil war, largely on the grounds of current political failures. The economic argument here is that whether or not such a war breaks out in the near term, a continuously deteriorating economy will continue to raise such possibilities into the indefinite future. Indeed, since civil war does not provide the answer to many economic problems, Azrael's civil war, if it takes place, could be just the first.

Soviet economic failure comes close to being certain because reconstruction is close to impossible, at least as things are going. The near-certainty of economic failure leads to vast uncertainty about Europe's security future.

## **OTHER EAST EUROPEAN ECONOMICS**

Much that has been said about the Soviet Union can also be said about the rest of Eastern Europe, but with two meliorating qualifications.

First, the economic situations and prospects in most of the other nations are probably not as bad. The necessary free-market cultures and traditions have been preserved to some extent, and the relative smallness of the economies makes adjustment easier. These factors have been reflected in the ability of Hungary, Poland, and Czechoslovakia, and perhaps even the Baltic republics, to reverse direction, although it will be a long way to success in each. The Soviet Union may be better off in the long run because it is resource-rich compared to the others, but to get to the long run they will all have to go through the short run, and most of the nations of non-Soviet Eastern Europe have a better chance of moving from here to there smoothly.

Second, even failure and chaos in these smaller nations would present less of a threat to overall European stability than failure and chaos in a power with the size and armament of the Soviet Union. The breakup of Yugoslavia or a war between Hungary and Romania would be terribly destabilizing for the countries involved; it is not clear how or why it would spread to Western Europe or, under current conditions, to the Soviet Union. The obvious exception here is eastern Germany, which is taken up next.

In any case, however, instability in the non-German, non-Soviet East, particularly instability based on nearly inevitable hard economic times, must count as one more uncertainty adding to the difficulties of long-range planning. Many of the long-range visions for Europe, for example, have a politically confederated Europe emerging from the integrated economy of the European Community and ultimately extending at least to the borders of the Soviet Union. These visions presume the success of democratic capitalism in the Eastern nations, and as indicated, it is a long way from here to there.

## GERMAN ECONOMICS

Germany's economic future is vastly more likely to be successful than that of the Soviet Union, but paradoxically, it is in some ways less certain than the Soviet future. It does seem probable that an economic powerhouse like West Germany can reconstruct the economy of an East Germany one quarter its size and that it will do so. As the difficulties have become apparent, worst-case comparisons have been made to the Italian *Mezzogiorno*, the southern region that has remained third-world poor even as northern Italy has surpassed many other parts of Western Europe.<sup>3</sup> The worst case is unlikely to occur, but such fears do highlight the very open questions of the cost of reconstructing East Germany, the period of time, and the potential economic and political side effects. These issues add one more important dimension of uncertainty in Europe.

One historical analogy to both Soviet and eastern German economic reconstruction can be taken from the Marshall Plan. The size of each problem may be measured roughly in terms of elapsed time. The Marshall Plan for western Europe succeeded over a few years in undoing five years of damage from war and Nazi occupation, during which most of the old institutional structures survived and the old ways of doing business were unforgotten. Soviet reconstruction must overcome seventy years; East Germany and the rest of Eastern Europe, forty-five.

Eastern Germany has major advantages over the rest of Eastern Europe—a common culture and language with western Germany and, based on this, a fraternal partnership apparently willing to do what is necessary, "at whatever cost." But the costs will be real and high, and they are easy to underestimate. The difficulties consequent upon the July 1990 monetary union, bringing the deutsche mark to East Germany at 1:1 and 1:2 exchange rates for the ostmark—both of which were grossly out of line with the real relative values—provide only an initial and probably mild indicator of the problems.

On the real economic level, what must be done for most of the eastern economy is, quite simply, to replace it:

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<sup>3</sup>The comparison was raised by Christian de Boissieu, an economist at the University of Paris and the Institute of Policy Studies of Paris, in a statement to a special commission of the French Senate: *Senat, Rapport d'information fait au nom de la commission des Affaires Etrangères, de la défense et des forces armées (1) en application de l'article 22, premier alinéa, du Règlement sur les conséquences et les perspectives de la réunification allemande*, p. 44, Paris, December 12, 1990.

- Replace the public infrastructure, such as the wholly obsolete telephone system
- Replace the capital stock, which uses obsolete methods to turn out products nobody wants
- Reconstruct the agricultural system to modern productive standards
- Entirely redo the ownership, commercial, and juridical systems.

It must do all of this while fulfilling the German Democratic Republic's economic obligations to the Soviet Union, probably with additional sweetening for the Soviets, for political reasons. All this can be done and almost surely will be done; but how long it will take, how much it will cost, and who will bear those costs are very open questions.

The costs, although not certain, are highly likely and likely high. It is true, as frequently contended, that far from creating problems the reconstruction of East Germany provides a set of exciting economic opportunities. Here is a substantial potential market for German, European, American, and Japanese industry; here is a skilled work force awaiting the capital to make it productive. All this is plausible, but the implications are less than meets the eye. A major West German utility, Ruhrgas, for example, estimates that unification will bring the taxpayers of the FRG 93 billion deutsche marks in net *benefits* from the tax revenues on the increased production of the east—but that is over a period of ten years, and the costs will be concentrated at the front end.<sup>4</sup>

The front end—the short run—is where the trouble lies. The Marshall Plan analogy does suggest ultimate economic success, but the analogy also highlights the central problem: the dilemma of workers' incomes versus investors' costs. The success of the Marshall Plan and the FRG *wirtschaftswunder* depended on the willingness of German and other European workers to accept low wages and standards of living in the short run *until* productivity rose to near world (at that time, American) levels; a combination of low productivity and high American wages would have priced European industry out of all but small internal markets, and the investment and development would not have taken place.

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<sup>4</sup>Ruhrgas, "Kosten der deutschen Einheit und ihre Finanzierung," *Wirtschaft und Politik*, September 1990.

Keeping to the analogy, eastern German workers would have to accept much lower wages than their western brothers, to induce private investors to reconstruct the east. The low-wage period would be temporary, but the evidence and the logic suggest the near-impossibility of even such a temporary regimen. For six months of 1989-90, East Germans proved themselves capable of departing rapidly for better opportunities in the west. The promise of deutschemark-ostmark parity, among other things, stemmed the migration; but it seems entirely likely that the prospect of low-wage jobs, high unemployment in the east, and loss of the generous benefits (e.g., housing subsidies) of the German Democratic Republic, juxtaposed with economic opportunities in western Germany and indeed throughout a borderless West Europe, could renew the outflow. And that, in turn, could destroy the political and economic prerequisites for development of East Germany.

It is, in fact, unlikely to happen that way. But if it does not, it will be because somebody has subsidized the transition, covering the gap between wages high enough to be accepted by the labor force and labor costs low enough to attract investment. One source of such subsidy might be the West German investors themselves, out of fraternal feelings or a willingness to take a view long enough to outweigh the short-term possibilities of higher return in other areas, like Southern Europe. No evidence exists to suggest that this would be a major source, however; German business is not noted for fuzzy warmth with regard to profits.

That leaves West German taxpayers. They are the most likely source, and it is likely to happen that way—but not smoothly, either politically or economically. Eastern Germany will be reconstructed, and someone will have to pay; it will be the public that can pay, and that will be the West German public.

It will happen, but it will happen with costs, social impacts on both parts of Germany, and time lags that add more uncertainties for the planning of European security futures. What will be the effect on other German expenditures, particularly for defense? What will be the effect on alternative German investments, in Southern Europe, Eastern Europe, the Soviet Union, and elsewhere?

What will be the effect on German politics? Will it mean a German political "inturning," and what would that mean in terms of willingness to promote either deepening or broadening of EC? Could difficult economics bring about changed politics by the 1994 elections? Could the costs and difficulties even revive extremist tendencies, of the left or the right?

Perhaps it will all be straightforward and easy, and those who see the opportunities much more clearly than the dangers will be right. But it would be an imprudent security planner who counted on that.

## **THE EUROPEAN COMMUNITY**

The EC is the single most promising institution for ensuring the long-run economic stability of Europe and probably its political stability too. Whether it will also become the primary security guarantor is more conjectural but certainly well within the realm of possibility.

The details of upcoming EC decisions are not important here. Many crucial issues will have to be determined in the near-term and the longer future: To what extent will the European Monetary Union (EMU) and the Single European Market be implemented, and over what period of time? To what extent will the major political institutions, particularly the directly elected parliament, accrue powers not dependent on member governments? How far will Britain move in joining continental economic and political integration? Will the nations of Eastern Europe, not to mention Austria, Norway, and Turkey, come into the Community as full members, and with what preconditions and over what period? Of particular and crucial importance to the United States, will a successful EC be an autarchic Fortress Europe standing against Fortress North America and Fortress East Asia, part of a broad and open world trading system, or in some unspecified position in between?

The relevance of these questions to this analysis lies in four factors:

- These questions demonstrate, in one more sphere, the crucial impact of economics. The internationalization of the private economies of the developed world, and the desire of the people of that world to join in the prosperity, are driving the internationalization of their public economic systems. This internationalization of economic systems is, in turn, pushing the integration of political systems. Indeed, once the EMU establishes a single central bank controlling monetary policy for the entire Community, everything else is likely to fall into line. Monetary policy cannot work except in some sort of close relationship with fiscal (tax and spending) policy, nor

can fiscal policy work without monetary policy. Fiscal policies are therefore also likely to move toward Community rather than national control.

- It is quite possible and perhaps likely that economic and political integration will form the institutional basis for a new European security system, although not in the short run. Without now specifying either the precise route to such a system or the form it will take, *if* the Community creates strong political institutions, and *if* the security threat from outside the Community appears substantially weaker than the Soviet threat appeared to the West until recently, then it would seem natural for the political institutions to create the necessary residual security apparatus. Such an apparatus might thin the Alliance that has focused on security as its primary objective. The role for the United States in such a structure is not clear, but that would develop while the Community institutions developed.
- If the economic integration of Europe means an economic turning away from the rest of the world, the transatlantic security relationship will be very difficult to maintain. The EC's refusal to reduce agricultural protectionism as far as the U.S. wanted in the 1990 negotiations over the General Agreement on Tariffs and Trade (GATT) were viewed by Europeans as essential protection for something very European, the small peasant farmer. For many Americans, however, it supplemented the long-term belief that Europeans had been carrying less than their fair share of the economic burdens of NATO's defense and, coming together with the immediate extension of burdensharing complaints to perceived European shortfalls on military support in the Persian Gulf, fostered a conviction that Europe ought to be left on its own.

All of which leads to the key implication:

- This will play out over an unknown period of time—let us arbitrarily say over the decade of the 1990s, although the last consideration might make it much shorter—and adds one more element to the set of uncertainties surrounding long-range security planning.

## **BUDGETS**

This example of the crucial nature of economic considerations is perhaps the most obvious. Budgets and finance ministries—and economic possibilities—not only impose severe constraints on security options, but are likely to increasingly direct them.

For the United States, the most constraining limit under discussion in the CFE negotiations has been the 225,000 ceiling proposed for American troops in Europe. President Bush has stated that this is a floor not a ceiling, but nobody takes that very seriously. The Congress is not likely to be willing to pay for that large a force for very long. The other members are, of course, under similar pressures. The Kohl-Gorbachev agreement limiting German troops to 370,000, as compared to the nearly half-million in the FRG *Bundeswehr* alone before unification, makes an international virtue out of budget necessity. Some German military people feel that the numbers could go much lower. For the Netherlands, Belgium, Canada, and perhaps even Britain, the question will be: How far back can troop contingents in Germany be cut before nobody believes even the symbolism of an allied presence?

For the Soviet Union, the economic pressures push both ways, as has been discussed. On the one hand, resources now invested in military forces are needed to help build the civil economy; on the other hand, as suggested above, the civil economy is not in a state that can utilize much of those resources.

## **DEMOGRAPHY**

Some aspects of demography are so predictable that they cannot be listed under uncertainties. The number of people in a certain future age cohort, for example, can be closely estimated by adding the proper number of years to the appropriate current cohort and making minor allowances for deaths and migration.

On the uncertainty side, however, is the demography of migration. As in the example of the large-scale movement from eastern to western Germany, the scope is unpredictable but clearly subject to strong economic forces. It is predictable that similar economic forces are going to attract increasing numbers of migrants into Western Europe from south of the Mediterranean, as well as from the Eastern nations, unless Western Europeans can erect more effective controls on their littorals and borders than the United States has been able to do on its own. Further, it is also predictable that the elimination of border controls within the EC is going to allow the immigration to spread throughout

the Community; indeed, it is likely to add to migration from the poorer to the better-off regions within EC. What are not predictable, however, are the size and pattern of that migration or its effect on national politics; the French right-wing extremist Jean-Marie LePen may just be a precursor. This and other perhaps even less predictable aspects of demography add one more uncertainty that must be factored into Europe's security future.

### **THE DIALECTIC**

In policy analysis, as in other realms, there is a tendency to predict that existing trends will continue. The "slippery slope" discussion at the start of this Note—the fear that the first steps toward reduction of nuclear weapons in Europe would inevitably lead to full denuclearization—provides one example. Indeed, the inexact science of economics has long since discovered the rule that the consistently best prediction for tomorrow is the same as for today, whether in terms of levels or directions.

Nonetheless, political philosophy has provided a better rule—better in the sense that it reproduces the way in which politics and policy work in real life, although it unfortunately makes prediction even more difficult. The dialectic concept that theses generate antitheses, or movements generate countermovements, is particularly salient in times of rapid change. The counter to the "slippery slope" contention, for example, is that the initial drawing down of nuclear weapons in Europe may make the retention of some nuclear deterrent easier rather than more difficult.

Which cases in the future will carry with them their own dialectic correctives, which ones are likely to continue to be linear, is nearly impossible to predict in advance. What are the "natural" limits to either deterioration or reform in the Soviet Union, for example? Linear is easier to predict, but less faithful to the way things actually work.

### **TRANSITIONS**

Where we are going is frequently easier to predict than how we are going to get there. The ultimate future states of many of the issues discussed here can be perceived now. With a strong probability, a unified Germany will become an economic success. With perhaps less certainty, the economic future of Europe lies in integration, probably at least as far east as Poland. Some day the United States will no longer have troops in Europe; the American generals in southern Germany are unlikely to have the

multicentury staying power of the English Plantagenet kings in western France. The future of what is now the Soviet Union is the most difficult to perceive, but it probably includes some variety of confederation for some of the current territory, and some variety of market economy.

Every one of these formulations begs the crucial questions, however. What will be the transitions to these new states—how will they take place, over what period of time, and how will they relate to one another? In security, as in economics, we all live in the short run. In the early 1990s, European security policy must cope with transitions. Transitions can bring instability and misery even while they are moving toward bright new futures, and instability can turn events in entirely new directions and toward entirely new end states.

Militarily, policy must cope with a situation in which forces on both sides are being drawn down and Soviet forces are being drawn out of Eastern Europe—but will still be there for up to four years. Economically, it must cope with a Western European economy that is moving toward integration but will not be there for many years; a Germany that is heading toward immense prosperity but won't be there for a while; and a set of Eastern economies, including that of the Soviet Union, which are in various states of improvement and collapse. Politically, it must cope with the effects of all these other variations on the politics of new and old democracies—those who may suffer during the transitional period, in Eastern Europe now, as well as the West.

## **NATIONALISM**

One ultimate state that can be hoped for, and perhaps foreseen, is that within Europe, the EC will manage such grand Community matters as monetary and fiscal policy, economic regulation, and defense, but that local matters will be run at appropriate local levels; the current catchword in EC for this sorting out of appropriate levels is "subsidiarity," a concept with some similarity to the division of powers among federal, state, and local governments in the United States. Carried to its reasonable end, subsidiarity may, over a period of time, solve the problems of nationalism that seem to be increasing in parallel with integration. Many of these are cultural; within an integrated political-economic community, it seems reasonable to believe that Basques, Bretons, and Scots, as well as Frenchmen, Germans, and Englishmen, could achieve nearly complete cultural autonomy.

In the transitional period, however, while the smaller nationalisms may continue to be contained more or less comfortably, the larger nationalisms may well bring about major twists in the straightforward path from here to there. In France, for example, while right-wing extremist Jean-Marie LePen seems unlikely to achieve any real share of power, the possibility that he could retain the loyalties of a significant minority could lead some parts of the moderate right to bid for his support or try to chip off some of his followers by slowing down the progress of European integration. In Britain, Mrs. Thatcher's views were not as unique to her as some elite Europeanists implied; they are shared by many of her countrymen and could interfere with British participation in European integration. In Germany, there seems little reason to fear a renewal of pathological nationalism, but as suggested, the economics of eastern German reconstruction could bring about a focus on purely German affairs that could slow down European integration. The nationalisms of eastern Europe have already begun to rear up. In the United States, a return to effective isolationism in response to perceived failures in European burdensharing or other economic insults is by no means precluded.

## **OUT OF AREA**

On August 2, 1990, the abstract debate about the American, European, and NATO roles in "out of area" contingencies (which may be in-area for some alliance members, particularly those in the southern region) became very specific. Iraq's occupation of Kuwait exemplified three more sources of uncertainty in determining the future security and other structures of Europe.

One of these has already been mentioned—the exacerbation of burden-sharing disputes. The second is the debate over the role of NATO in such contingencies. The near-unanimous consensus among Americans, West Europeans, and all the rest of the world to oppose Iraqi aggression made it possible to act first and sort out later. The contrast of this consensus to the acrimony over the unilateral U.S. air attack on Libya is striking. The Libyan attack undermined NATO (albeit in a way that had become standard and absorbable over the years) because of the sharply different interests and perceptions of the U.S. and its European partners. In Kuwait, however, the unanimity of NATO members about the dangers stemming from the aggression against Kuwait meant that the organizational questions could be taken up later, probably without much difficulty.

The third issue raised by the Iraqi attack leads to more fundamental uncertainties about future directions for Europe. Europe, North America, and Japan all depend on an assured flow, certainly of oil, perhaps of other resources. Interruption, diversion, or change of these flows in any major way would have major effects on all other economic, political, and security variables—as indeed the Gulf crisis has had. At best, we could go down the sour route of the 1970s when rapid increases in oil prices led to stagflation throughout the developed world and in turn to the defeat of many governments. The worst is less predictable.

### **OPEN ELECTORAL SYSTEMS IN EUROPE**

Security policy is made by governments. Governments are made up of politicians elected by voters—in most of the Eastern nations now, as well as in the West. Voters, as has been noted, tend to vote on the basis of issues other than security policy, particularly pocketbook issues.

For at least the last 20 years of the Alliance, since the threat of hard-line Communists winning governmental positions in some NATO nations faded (the Communists who joined Mitterrand's government in France in 1980 were very soft-line and no danger), security planners quite reasonably assumed policy continuity in spite of electoral change. Among the key NATO nations, Helmut Schmidt's Socialists were at least as dedicated to the Alliance as the Christian Democrats; the famous French consensus held; and the sharp security policy changes represented by George McGovern in the United States and Michael Foot in Britain predictably went down to overwhelming electoral defeat. And electoral change in the Soviet Union was an oxymoron. All this has also changed.

Table 1 uses arbitrary but plausible numbers to illustrate the point for key players in the European game. Using these numbers, which assume no more than a one-in-five probability of change for any major country except Britain, and only three in ten for Britain, there is more than a two-out-of-three chance of an important change in the political basis for European security policy over the next five years.

Using the same illustrative method for the last half of the Cold War period, after de Gaulle had pulled France out of NATO's military structure, however, produces a strikingly different answer. Assume 0.95 probability of no change for Germany, Britain, and France (the 0.05 is deducted not because there was any visible sign of change in

Table 1

ELECTORAL CHANGE AND SECURITY POLICY THROUGH 1995

|  | A<br>Probability<br>of change<br>in gov't | B<br>Probability<br>of change<br>in policy<br>if gov't<br>changes | C<br>Probability<br>of unchanged<br>policy<br>$1 - (A \times B)$ |   |
|--|---|---|--|---|
| U.S.   | 0.50                                      | 0.30  | 0.85   | Democrats could<br>cut defense<br>sharply       |
| Germany  | 0.33                                      | 0.75  | 0.75   | Possible distress<br>from eastern<br>economies  |
| France   | 0.60                                      | 0.33  | 0.80   | Right-center could<br>return to<br>Gaullism     |
| UK   | 0.60                                      | 0.50  | 0.70   | Labour no longer<br>unilateralist,<br>but . . . |
| USSR   | 0.80                                      | 0.25  | 0.80   |   |
| (Overall probability of unchanged policy:<br>product of numbers in column C) |   |   | 0.286  |   |

these countries, but simply because they are democratic); a slightly lower 0.90 for the United States in case Vietnam lapped over into Europe, which it never showed any sign of doing; and no chance for any change for the Soviet Union. The result is a less than one-out-of-four chance of change in the political basis for European security over those 20 years.

This kind of calculation, which might be done for factors other than electoral change (e.g., economic change, but the calculations would be even more arbitrary) illustrates vividly the ways in which the political uncertainties of the near future are far greater than those of the stable Cold War.

### III. INTEGRATING OVER TIME

Figure 1 simplifies the multifarious uncertainties into six composite timelines showing the sorts of events that may occur in the first half of the decade of the 1990s. The most certain events are the ones at the near end of the time scale and the scheduled elections. Later events, including election outcomes, are less predictable because of both the normal uncertainties of time amplified by the acceleration of current change and the likelihood that the earlier events on any one of the six linear sequences will affect the later events on the others. Analysis is too frequently too compartmentalized to take proper account of such interactions.

For any of the top four lines in Fig. 1, the future viewed along any single line may seem somewhat predictable, although not necessarily as to timing:

- *Arms negotiations* will proceed apace, with CFE signed in 1990, followed by negotiations of Europe-based short-range nuclear forces (SNF), which are likely to reach an agreement sometime in 1991. Further conventional reductions will be taken, either on a negotiated or mutual unilateral basis.
- *EC* will achieve its single European market by the end of 1992, and take irreversible steps toward full monetary union within a few years. Further economic integration, and political integration, will move forward, not without obstacles, but with some degree at least of confederation achieved during the 1990s.
- *Elections* will take place on schedule, certainly in the West, probably also in the Soviet Union. Although the chance for some change in security policy stemming from one of the major elections is substantial (as shown in Table 1), no individual election is likely to bring about a major change in the security policy of any one nation.
- For *Germany*, economic reconstruction of the east, although it is likely to be difficult, will take place and will be substantially completed (to the point where eastern Germany is not much worse off relative to western Germany than some of the western Laender are now) certainly by the end of the decade, probably sooner.

|                   | 1989            | 1990               | 1991                  | 1992              | 1993                  | 1994                         | 1995   | 1996 |
|-------------------|-----------------|--------------------|-----------------------|-------------------|-----------------------|------------------------------|--------|------|
| Arms negotiations |                 | CFE                | SNF                   |                   |                       |                              |        |      |
| EEC               |                 |                    |                       | EMU               |                       | Political confederation?     |        |      |
| Elections         | U.S. (Congress) | Germany            | U.K.                  | U.S. Presidential | France (Assembly)     | France (President)           | Soviet |      |
| Germany           |                 | 2+4                | Political unification |                   | Economic equalization |                              |        |      |
| Soviet Union      |                 |                    |                       |                   |                       | Soviet troops out of Germany |        |      |
| Now what?         |                 | Invasion of Kuwait |                       |                   |                       |                              |        |      |

Fig. 1—Timeline of potential events

However, even leaving aside the two lowest lines (the Soviet Union and "*Now what?*"), the interplay among the first four multiplies the uncertainties of any one of them. Suppose, for example, that the economics of east German reconstruction prove divisive as well as difficult. This could

- Lead Germans to question other economic obligations they have undertaken
- Bring about discord in the Western community, as well as with the east
- Accelerate withdrawal of U.S. nuclear weapons from Germany, but at the cost of raising other suspicions of the Germans
- Affect the pace of European economic integration
- Unleash political forces in the U.S. tending toward withdrawal.

It could affect the outcome of the British elections in 1991 or 1992, and the French legislative elections of 1993, both of which in turn could have further effects on the EC, and so on. Or, a chain could begin with a snag in the development of the European Monetary Union, affecting British and French election outcomes. Or, too much "success" in European integration could be seen as an economic threat to the United States and induce changes in the U.S. security position in Europe.

All of these are games played by shuffling the regular deck. The Soviet Union and the "*Now what?*" lines add new wild cards. There is a substantial chance of a change of regime in the Soviet Union, and some significant chance of a change in external policy by the old regime or a new one. A change in external policy or perhaps in regime would change most of the other outcomes on the other lines of the table.

Events on the "*Now what?*" sequence have been dramatically illustrated by the Iraqi attack on Kuwait, which is likely to affect every other timeline on the chart, either directly through its political and security effects or indirectly via the price of oil. Yet the Kuwait invasion is just one event out of a broad set of potential happenings: an Arab-Israeli war; achievement of a nuclear-weapons capability by some rogue state in the Middle East or elsewhere; Libyan use of long-range missiles with chemical warheads; some unexpected new direction from Japan or China.

Thus, the future is uncertain in detail and in every category, and the uncertainties of the categories compound one another. *This is very different from the recent past*, when all currently active security planners received their training. Looking at the lines in Figure 1 as they would have been in 1985:

- Conventional arms negotiations had been continuing in Vienna for more than a decade; nuclear negotiations in Geneva had been suspended. Neither made much difference, however, since both sides knew that the negotiations were charades. The one important break in 35 years of such game-playing came with the SALT Agreements of the 1970s. In spite of the fears of some Americans, the superpower strategic standoff and the conventional standoff in Europe were little different in 1985 from early 1950s.
- No elections in the Western nations presented a significant likelihood of changing security policy. The challenges by the post-Schmidt Social Democrats in the FRG and Labour in Britain fell far short, in large measure because they challenged security policy. The idea of meaningful elections in the Eastern nations was silly.
- Germany was divided into two states, each of which was recognized by the other. Reunification was given lip service but little real interest by the West Germans; the East Germans were really interested but not in a position to do anything about it. As put by one German analyst in 1986: "The Germans are rediscovering that throughout most of their history the German nation has lived in separate states, and that this may have advantages, not only for the international order, but for the Germans themselves."<sup>1</sup>
- The Soviets were more constant than anything else. Through Stalin, Malenkov, Khrushchev, Kosygin, Brezhnev, Andropov, and Chernenko they varied only from enemy to opponent to adversary. The tactics changed, but after the building of the Berlin Wall settled the spheres of influence in Europe, the variations ranged only from illusory détente to very prudent opportunism. Above all, the Soviet Union could be counted upon to hold the Atlantic Alliance together.
- Most potential East-West confrontations did not take place, e.g., in Hungary in 1956, Czechoslovakia in 1968, Poland a number of times. Those that did occur, notably in Berlin in 1961 (and outside of Europe, in Cuba), proceeded

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<sup>1</sup>Gert Krell, *Ostpolitik Dimensions of West German Security Policy*, Peace Research Institute, Frankfurt, December 1986 (mimeo) p. 33.

in what seemed at the time to be a frightening series of threats and escalations, but in retrospect tended to return quickly to stability.<sup>2</sup>

- Even the "Now whats" of the period—one French and one U.S. war with what we treated as a Soviet proxy, one Soviet war with what they treated as a Western proxy, three Arab-Israeli Wars, one Western attack on the Arabs, one large-scale Arab revolt against a European master, one full-scale war on the Indian subcontinent, one much bigger war just to the west—had virtually no effect on the stability of the European confrontation.

Stability, although not a frozen lack of change, was the rule for three and a half decades. The underlying stability within change that characterized NATO is summed up in a story told by former Secretary of Defense James Schlesinger: "I can recall, from the early days of NATO, an air force colonel who kept on his desk a rubber stamp that said 'In this perilous moment in the history of the alliance. . . .' He used that stamp with great frequency."<sup>3</sup>

In the last five years, the world has changed, and the end of that rapid change is not in sight. Some analysts believe that the trend of the previous 35 years of NATO has turned in a new direction, on the basis of which they can predict stable progress for another 35. Others see every setback, holdup, or even detour as the beginning of an ominous new trend. That is not new; perhaps Schlesinger's colonel's stamp should have had another line: "To agree to \_\_\_\_\_ would be the first step down the slippery slope to \_\_\_\_\_."

The only viable prediction is for much more uncertainty before we find ourselves on a new trend-line in Europe.

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<sup>2</sup>This basic stability, even in major U.S.-Soviet confrontations, is strongly borne out by the evidence and analysis presented by McGeorge Bundy in *Danger and Survival: Choices About the Bomb in the First Fifty Years*, Random House, New York, 1990.

<sup>3</sup>James Schlesinger, "An American Perspective," speech reprinted in the *Congressional Record*, June 20, 1984, p. S7749.

#### IV. IMPLICATIONS FOR MILITARY PLANNING

All these uncertainties suggest that NATO itself and the U.S. military presence in NATO—as a stable anchor in an unstable world, and as the final guarantor, particularly the nuclear guarantor, of European security—remain vital. NATO's specific military posture also remains very important, *but its importance lies in the political realm, and the design of the posture can no longer be based upon the military reasoning that governed that posture from the early 1950s to the late 1980s.* Yet a military posture requires a military rationale, which presents a major dilemma for those designing that force posture and asking taxpayers to support it.

The logic of the breakup of the Warsaw Pact and of the drawdown of Soviet forces and their withdrawal from Eastern Europe, reinforced by the difficulties that the crumbling Soviet economy will have in supporting any effective military machine, mean that the massive and rapid military threat against which NATO was designed has disappeared. Indeed, with one possible exception during the "transition" period until Soviet troops leave Germany by the end of 1994, any *purposeful* conventional Soviet military threat to Western Europe (including all of Germany) is disappearing—not necessarily forever, but for any time period that requires current force posture planning.

For military purposes, once the new balance of conventional forces called for by the CFE agreement and the Soviet withdrawal from Germany has been achieved or is well on its way to being achieved, it is difficult to see either *how* the Soviets could mount a purposeful conventional attack on the West, except with a mobilization period reminiscent of World War II, or *why* they would.

For the past 40 years, the Soviets had no political cause that would bring them to risk a war that they then had an excellent chance of winning conventionally. Now the potential causes have if anything reversed, with the Soviets being dependent upon Western good will for economic support. While it is possible to put together a scenario in which the Soviets mobilize forces from behind the Urals (outside the zone of CFE limitations) and stream through a weak or acquiescent Poland to attack a disarmed NATO to reoccupy eastern Germany, it is very difficult to take such a scenario seriously. Even if Gorbachev were replaced by military "conservatives," neither a *casus belli* nor a real conventional military capability on the part of the demoralized armed forces of an

economically and ethnically crumbling state is likely to make such an attack seem either desirable or possible. *The continued U.S. role as nuclear guarantor puts the final seal on that, as indeed it has for the last 40 years.*

Conceivably, a Soviet conflict with its former satellites could involve Germany and other western nations. That too is unlikely, albeit less unlikely, but in any case it is a different issue from purposeful Soviet attack on the West and would call for a different military posture. Eventually, political and economic developments may restore a strong Soviet Union capable and desirous of renewing the old sort of threat to the West. Likely or not, however, this seems possible only in a rather distant future.

The least improbable near-term exception to the above is during the "transition" period, the three-to-four years when Soviet troops are leaving eastern Germany but have not yet left. Although it would be nearly impossible for the Soviets to use their shrinking forces as a bridgehead for an attack on the West—that would be like a soft-shell crab going on the offensive—they could halt their scheduled withdrawal for political reasons. The Soviet military position would be very difficult (so was the Western position in Berlin during the crisis of 1959–1961, yet the West held the position and won the issue); but military action during the transition (i.e., hunkering down in place) would at least be more likely than Soviet return after complete withdrawal to within their own borders.

More likely than any continued or renewed threat of direct Soviet aggression, however, and more dangerous to European stability, would be adventurism, chaos, or some other form of irrationality in the Soviet Union. Although a successor regime to Gorbachev might still recognize the considerations that make the reversal of Soviet external policies not worth the risk, it might have domestic political reasons for a show of *machismo*. American McCarthyism never led to aggressive external policies beyond chest-beating, but Soviet Rasputinism might. Or, a successor regime might have incomplete central or local control of its military forces. Or, there might not be a regime at all, but a set of competing factions in a civil war reminiscent of that waged in China in the 1920s and 1930s.<sup>1</sup> Or, there might be a true Hitler/Stalin psychosis within the leadership. Irrationality leading to any kind of renewed military threat is not likely, but we cannot discount the possibility of such irrationality down to zero. Once we admit the

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<sup>1</sup>One European diplomat has suggested, not entirely facetiously, the possibility of a conflict among Red Army factions in which the forces in Germany, being the strongest part of the Army, would march back east through Poland to join the fray in the Soviet Union.

possibility, we must also remember that the new regime is likely to have a Europe-destroying—perhaps civilization-destroying—megatonnage of nuclear weapons at its disposal. Competing factions may become warlords with warheads; it is not clear what would happen to nuclear control in such a chaos. In any case, however, here is the real danger from the Soviet Union.

The problem, however, is how to connect the new, more diffuse danger with NATO force posture, or with the U.S. contribution to that force posture. No degree of irrationality is likely to recreate the purposeful Soviet conventional threat to Western Europe. Nor, since the nuclear threat to Europe would in itself be highly irrational, is the relevance of a theater-based nuclear force, intended primarily as a deterrent, very clear. Deterrence is essentially a rational process.

Nonetheless, a coherent NATO force, and an American contribution to that force, remains essential for reasons that are real, but primarily political rather than military. These forces are needed to cope with the uncertainties—to help maintain a continuing security structure at least until EC, or perhaps CSCE, can take over the burden. Until then, the breakup of the Alliance military structure would force each member to plan its own military posture in the face of the continuing doubts about the Soviet Union and in some cases about each other: France cannot fear a German invasion, but a substantial *Bundeswehr*, even though it was facing east against Soviet uncertainty, would call for a substantial *Armée de la République* and perhaps an understanding with Poland. And so forth. With potential power beyond that of any individual nation, the military alliance, with the commitment of the United States to Europe, is needed to prevent such renewed or renascent fears. This is recognized throughout NATO, which is why the strongest pressures are for continuation of both the Alliance and U.S. presence in Europe. Furthermore, so long as Europeans want a U.S. troop presence, such a presence remains important to the United States, because it provides a visible token of the American stake in Europe, a stake that is politically and economically important to us. This stake will not firm in nonmilitary terms until an integrated EC and the U.S. relationship to it are solidified in the future.

All this raises two related problems, however:

- The political needs for a posture and a presence provide little information to ministries of defense and finance, or even to military planners, as a basis for deciding how much of what kind of forces are needed where.

- The political reasoning for the military posture is detailed and subtle; it is difficult to sell a taxpaying electorate on the need to spend billions of dollars (or pounds or deutsche marks or francs) abroad for military power applied for other than for military purposes—for the abstractions of "stability" or an American place at the European table.

For both of these needs, a *military* rationale is needed, a "social myth." A social myth is not defined as a pure creation of the imagination. According to Reinhold Niebuhr, "Social myths are constructed by imaginative elaborations of actual history. They are hardly ever made out of whole cloth. They arise because reason is more ambiguous . . . than some rationalists assume."<sup>2</sup> For almost 40 years, the threat of a Soviet attack on Western Europe—a conventional attack so long as the Soviets maintained their conventional superiority in the center—provided a workable social myth, not "made out of whole cloth," but an "elaboration" of the actual threat. The real threat of such an attack had begun to decline sharply as early as the early 1960s, after the resolution of the Berlin crisis, in part because of the West's willingness to defend (symbolized by the NATO posture), in part because of the fear by both sides that any direct U.S.-Soviet confrontation could open the Pandora's Box of nuclear war. Nonetheless, the Soviet conventional threat served as a frame of reference for the military and as a supportable cause for the public for 25 more years.

The test of NATO's military posture is whether it achieves its military and political purposes. As we enter the 1990s, the military purposes are easily achieved against a fading enemy, and the political purposes require a structure and a presence but not a specific posture. That makes the test of the rationale for any alliance posture more difficult, however. The old threat no longer serves as a social myth; neither the military establishments nor the publics in the NATO nations now believe in the massive attack across the East-West border. One immediate adjustment has begun, a sharp reduction in NATO's defending forces, agreed to by the military as well as the public. But what can be troublesome is the lack of a new military frame of reference to support the remaining

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<sup>2</sup>Reinhold Niebuhr, "The Social Myths of the Cold War," *Journal of International Affairs*, Vol. XXI, No. 1, 1967, p. 40. Niebuhr was comparing the organizing myths in that era of the Free World and the Communists, but the concept applies as readily to any organizing idea. It can be traced back to the French sociologist, Emile Durkheim.

forces, which are still needed, but for the political reasons discussed above, not for military reasons.

Two alternative directions seem possible:

- Adaptation of the old rationale, based on the residual possibility of a purposeful Soviet (or Russian) attack on the west
- Adoption of a new rationale, starting from the uncertainties of the short-run future.

### **RESIDUAL DANGER OF PURPOSEFUL SOVIET ATTACK**

To find a sustainable base for military planning, the residual Soviet danger may be adapted as a frame of reference by creating what might be termed a "virtual threat," one that can be made visible without actually being real.<sup>3</sup> Such a threat would rely on the mobilization of Soviet forces from east of the Urals, outside the zone of CFE limitations. The threat is "virtual" because Soviet political interests moving in the other direction and Soviet military capabilities unsupportable by a weakening economy suggest that it probably does not exist. Its advantages as a frame of reference for military planning lie in the fact that there can be no *certainty* that it does not exist. Indeed, a NATO stripped down to conventional impotency could conceivably tempt a Soviet government to recreate the threat. In any case, such a residual threat is more plausible than the old threat has become, without being a radical change from the old.

The needed Western response would involve a capability to mobilize and reinforce as fast as the Soviets, and this is compatible with reduced regular forces for the European members of NATO and a substantially reduced U.S. presence designed mainly to maintain a structural capability for rapid reinforcement from the continental United States. Fighting forces in place would stress short-range mobility, particularly because the Kohl-Gorbachev agreement prohibits the non-German elements from stationing in eastern Germany and would therefore have to move into positions there with the beginning of hostilities. If the defense were to be in—or of—Poland or Czechoslovakia, all NATO forces would need this mobility. Because the assumed threat would be from

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<sup>3</sup>The term, suggested by David Ochmanek, is derived from "virtual focus," defined by *Webster's Ninth New Collegiate Dictionary* as "a point from which divergent rays (as of light) seem to emanate by do not actually do so."

the Soviet Union or Russia against the West as a whole, this posture would be consistent with multinational forces integrated by division/wing or even lower formation. This concept has some political interest, although it might be rejected on other political or military grounds. Because the threat is definable, it leads to the kinds of analysis that can specify sizes for the forces in place and the reinforcement echelons. So long as the Soviet Union remained a nuclear power, the rationale can also cover a continued U.S. nuclear presence in Europe, as well as continuation of the French and British deterrent forces.

The other question, however, is whether this revised threat will serve as a viable social myth for the public. The answer may still be yes, at least for the near term. Within this period, the American public, and those of the other alliance members, will benefit from substantial savings from the sharp drawdowns in forces in Europe, the pace of which will be limited more by the logistics of orderly change than by the strategy of national security. These benefits may vitiate any close examination of the social myth supporting the remaining posture and presence, preserving the myth for a few years until it can be seen which way the world is really turning.

## **DEFENSE AGAINST UNCERTAINTY**

The alternative would be to relegate the defense against purposeful Soviet attack to a place on the list of uncertainties, by no means the top place. Even the random danger of Soviet adventurism seems more probable. Still more likely would be a clash of nationalisms or other interests in eastern or western Europe, although the likelihood of its escalating into a major security concern for NATO would not be high.

Most probable of all the uncertainties is an "out of area" threat involving no direct attack on any NATO member, exemplified by the Iraqi attack on Kuwait. Up until now, NATO has eschewed any action *as an alliance* in such contingencies. The Persian Gulf crisis, however, has induced discussion of some sort of tandem arrangement between NATO and the Western European Union (WEU), an organization of most of the European members of NATO that has up until now existed more as a forum than as alliance or suballiance.

Somewhere in between the Soviet and out-of-area scenarios might be an "out of region" threat against a member of the Alliance, a threat outside the central European region and the East-West context, which have dominated planning until recently. A

conflict between Turkey and an Arab neighbor can provide an example here. Such an out-of-region focus would have the advantage of allowing NATO to plan its military posture in a broader and more plausible context than the canonical threat from the Soviets, without having to confront thorny out-of-area issues. Alliance members are already committed to the direct defense of each other.

In any case, this rationale stresses uncertainties themselves rather than any specific set of events. It would be a wrench for NATO's military planners finally to pull away from the canonical threat that has sustained them for 40 years, but uncertainty may nonetheless provide a viable frame of reference for a military posture. Such a posture could resemble in many regards that based on the residual Soviet threat. It too would stress reinforcement and mobility, both of which provide flexibility against uncertainty, although the mobility might have to be over longer ranges than those required to move up into eastern Germany. It too could provide a rationale for a nuclear presence, not only against Soviet nuclear forces but against possible hostile proliferation.

On the other hand, the uncertainty basis would make it difficult to arrive at proper force sizes: "Enough to fight somebody" or "enough to hold until reinforced" are not very satisfactory. Military planning would be somewhat more difficult, but perhaps much more realistic. Lacking any strongly felt threat, force sizes would be decided by finance ministers rather than defense ministers: The suit will have to be tailored to fit the cloth. Further, various uncertainties could well be judged differently by different members of the Alliance, which might then want to use their forces differently. Thus, these uncertainties may discourage integrating multinational forces to the point where national units cannot be withdrawn to pursue national interests.

As a public social myth, the uncertainty rationale can probably count on the same central advantage as the residual threat: So long as forces in Europe are being cut sharply anyway, it may not be examined too closely. If and when this rationale is examined by the Congress and the public, however, it may be difficult to explain—uncertainty is in itself an uncertain concept. The uncertainty rationale has one major advantage over the residual Soviet threat, however: It includes, but is no longer based solely or even primarily on, the increasingly implausible threat of a purposeful Soviet attack.

## V. CONCLUSIONS

Uncertainty in outlook calls for prudence in policy—an instant cliché. It may become less trite, however, if prudence can be defined operationally. The dictionary definition of prudence does not necessarily imply fearful conservatism: "The ability to govern and discipline oneself by the use of reason."<sup>1</sup> Neither does the operational definition suggested here for prudence in U.S. policy for European security. It consists of four general precepts:

- Hold on to what has worked.
- Hedge against that which is uncertain and dangerous.
- Support positive movement.
- Act to avoid or forestall that which without action would be certain and dangerous.

### HOLD ON TO WHAT HAS WORKED

This is the conservative face of prudence.

For future security arrangements in Europe, the case has yet to be made for substitution of the new and untried for the old, even given the radical changes in the European context. Two organizations have been proposed for new and major roles in a future European security structure: the Conference on Security and Cooperation in Europe (CSCE); and West European Union (WEU). Both have some hopeful aspects: CSCE as a UN-like collective security arrangement tying together all parts of Europe including the Soviet Union, and also including the United States and Canada; WEU as a "European Pillar" for Atlantic defense, with its Persian Gulf coordinating role as an exemplary first step. But neither organization now exists as much more than a forum: CSCE has members and meetings but no officials or employees, and WEU has a small secretariat. Neither performs actual operating functions, such as military command or planning.

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<sup>1</sup>Webster, op. cit.

For neither organization does this imply a U.S. policy of benign neglect. But the current unformed state of each does imply that a long time may have to pass before we discover whether either CSCE or WEU can move beyond mere existence to performance as a substitute or rival for other existing organizations.

CSCE and WEU contrast with two pieces of machinery built many years ago with the immediate purpose of carrying out active functions for which there was a felt need: NATO and EC. Each of these is an organization in being. Each should be conserved and promoted.

NATO has been filling Western European security needs for 40 years, in the course of which the Soviet Union has neither attacked Western Europe nor intimidated or "Finlandized" any nation of the West, except for the obvious special case of Finland itself. All of the nations of Western Europe have become democratic, the prosperity of all has grown immensely, and now even the East, perhaps including the Soviet Union, has opened up to democracy. One could argue about NATO's contribution to any of these, but history cannot be rerun, and the burden of proof is on those few who might contend that Western freedom could have been as easily preserved and extended without the Alliance.

Conserving NATO does not imply, however, a rigid orthodoxy about its current structure. As put by Senator Sam Nunn, who has the longest record of pro-NATO partisanship on Capitol Hill and perhaps among all persons of power in Washington, "If NATO is not to become an anachronism, it must demonstrate resolve and vision in serving not only as a force of stability but also as an instrument of change."<sup>2</sup> In fact, NATO will inevitably change, and do so faster than in the past, but changes within the Alliance should be evaluated for their effects on maintaining the unity of its members and retaining its defenses against the changing threat.

For example, neither of the alternative posture rationales discussed above suggests that NATO's Supreme Allied Commander in Europe (SACEUR) must always be an American. Indeed, neither suggests that the integrated military command, from which de Gaulle withdrew France in 1966, is sacrosanct. It is crucial that France remain in the political alliance; without France, NATO would be largely an American-German entente and divide Europe dangerously against itself. Since 1966, France has remained in the

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<sup>2</sup>Senator Sam Nunn, quoted in *Aviation Week and Space Technology*, March 19, 1990, p. 79.

alliance without belonging to the military structure, but has in fact cooperated more closely militarily than is generally admitted. Perhaps a restructuring of NATO could bring organization and reality closer together without injuring the symbolism of national independence so dear to the French. If such a move were to strengthen the transatlantic as well as the European ties of NATO, its political utility might outweigh the military drawbacks of a changed command structure.

NATO has been important in itself; it has been as important in creating the security arrangements which, by eradicating the primeval mutual hostilities of the Franks and the Germanii, have provided a necessary condition for the success of the other organization in being, the EC. EC has existed as an operating organization, starting with the Coal and Steel Community, for about as long as NATO, expanding its functions gradually but vastly. It may now be a very natural movement for the Community to gradually take over the European security function, perhaps with WEU playing a role. As economic integration moves toward political integration and the need for democratic control of an increasingly powerful economic entity becomes clear, the integrated political organization may well want to take command of its own security arrangements. A historical analogy can be seen in the move of thirteen American colonies united but not very well by their common revolt against England, to become the United States of America governed by the Articles of Confederation, and then after a few years the federal union under the Constitution. Bold as it was, that too was a natural movement, driven not by a theory but step by step in response to perceived needs. If a similar course is taken by EC, it too will be because it does become natural, step by step, not because of an analogy.<sup>3</sup>

The Western Europe of NATO and EC has moved a truly amazing distance since the end of World War II. To anyone with a sense of history, the ability to drive back and forth between France and Germany, frequently without downshifting, signifies an

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<sup>3</sup>*The Federalist Papers* by Alexander Hamilton, James Madison, and John Jay (the most available edition is Bantam, New York, 1982), which laid out the systematic rationale for the United States Constitution in a series of newspaper articles arguing for its ratification by the states, can provide some useful insights for European integration. The discussions of such matters as allocation of powers among levels of government (see above on EC "subsidiarity") and the function of the Constitution's two-house legislature in reconciling democracy and existing sovereignties show specific parallels. As an overall analogy, however, the 13 English-speaking states of 1787-1788 are too different from the 12 European nations with even more languages of 200 years later.

impressive and moving change in a border characterized for centuries by the fortresses of Vauban and Maginot, and the bloody sweeps of Napoleon, Moltke, Schlieffen, and Rundstedt. The Schengen agreement, essentially abolishing the borders among France, Germany, and the Benelux countries is a formalization of what had already come about naturally. And now, after 45 years, the same conditions are extending to the east.

Forty-five years after the end of the first World War, the world had been through another world war even worse than the first. The machinery set up at the end of the second has made the third and worst of all quite unlikely. That machinery is worth conserving.

### **HEDGE AGAINST THAT WHICH IS UNCERTAIN AND DANGEROUS**

The greatest dangers to European stability in the uncertainties of the 1990s are radical change and/or chaos in the Soviet Union, and impingement from out of area. Much less likely would be a major change in German direction. (An additional potential danger, which would have a major impact were it to occur, would be a return of the United States to isolationism, but that is quite unlikely. This analysis is intended to help avoid this potential policy outcome, rather than incorporate it as an assumption into the analysis.)

The potential Soviet danger provides another major reason for holding to NATO. (Many would say this is *the* major reason but, as discussed earlier, even if the chance of major negative change in the Soviet Union is high, the likelihood of its presenting a coherent military threat to the West is very low.) So long as even a more random danger from an unpredictable Soviet Union continues to exist, however, some Western security apparatus will be necessary as a hedge, and NATO is what we have now. In addition, NATO as an organization may come into a major role in European-American actions in out-of-area contingencies. Such a new function is still conjectural and controversial, however. Instead, the same nations might unite under another banner.

Any substantial German danger would be much less likely and less dangerous were it to come to pass. Were Germany to "break away" from the West into some variety of neutrality, the danger would be political, not military; in particular, any possibility of the Germans initiating the development of nuclear weapons is beyond the time horizon here. Rather, the negative implications of such a change would lie in the disruption of security, economic, and political relationships and in the additionally

disruptive reactions of the nations around Germany. More dangerous than neutrality, but less likely, would be a new "Rapallo," a German-Soviet détente with a military element. Likely or not, however, these occurrences are not impossible, and they require a hedge. The hedge is a rather clear one: Remember that the United States has allies in Europe other than Germany; in the course of working with the Germans as the military and economic power in Europe, keep the political channels open with Britain, France, and Italy as well.

One additional German possibility, however, may cause problems but should not be defined as a "danger." This is the coming to power of a Social Democratic-led government in 1994. The Social Democrats' security policy might be termed as pro-NATO but against a lot of what NATO now does, particularly in the nuclear area. The hedge for U.S. policy in regard to such an eventuality should be to prepare to deal calmly and constructively with the political changes, so long as the U.S. presence and other interests are preserved, as is quite possible within a NATO adapted to a Social-Democratic-led Germany.

## **SUPPORT POSITIVE MOVEMENT**

In spite of all the uncertainties, the most likely directions for change are hopeful, at least for Western Europe. German economic reconstruction is most likely to work. Meshed properly with West European integration it is likely to create an economically powerful and politically stable entity from the Atlantic to the Oder-Neisse, and that entity will be capable of reconstructing and stabilizing Eastern Europe, perhaps even including what is now the Soviet Union.

For North-South relations, all this could provide a new impetus for NATO, as the basis for a new Western security structure to deter and defend against the new stream of events exemplified by Kuwait. Perhaps more important, these favorable developments in Europe could make possible new mechanisms to support the economic development of the truly impoverished world.

Such movements are highly conjectural, but their possibility provides an important precept for prudent policy. The United States should take opportunities to encourage such movements. Ultimately, in the indefinite long run, such strengthening of Europe would be likely to lead to a changed American role, perhaps even a final security withdrawal. Worrying now over whether this is likely and, if likely, whether it is good or

bad, would be another example of the misplaced "slippery slope" emphasis on all the some-day future evils that should lead us to eschew the much more palpable current opportunities.

### **ACT TO AVOID OR FORESTALL THAT WHICH IS OTHERWISE CERTAIN AND DANGEROUS**

This is the active side of prudence.

Certainty in this uncertain era is relative. The other face of the uncertainty of the Soviet future, against which hedging was suggested, is the near-certainty of that future being a dismal one at least for the next few years, for the economic reasons that have been discussed, and also for ethnic and other political reasons.

The dismal Soviet future carries dangers for the United States and Europe. The question is whether we can do anything about it, other than hedging. The answer on the ethnic and political problems is almost surely *no*; we have little understanding and little to offer.<sup>4</sup> The answer on economics may be the same, but at least we do understand (more or less) how the needed free-market system works, and the West, including the United States, can contribute major resources, should we so choose.

In mid-1990, before and after the Houston summit of the Group of Seven, a major debate raged over whether the West should assist the Soviets immediately, to encourage economic reform, or hold out the possibility of later reward as an incentive to reform. The Germans and French wanted the immediate assistance, largely to support Gorbachev politically (and in the German case, partially to buy the Soviets out of eastern Germany); the Americans and British wanted no major assistance until there was clear evidence of reform—the incentive-and-reward route.

Both the debate and the answers were wrong. Support for current efforts is futile when current efforts are going nowhere. Using assistance for direct political support of Gorbachev would buy only a bit of time so long as current efforts are going nowhere. We could indeed be placing our bets on a single horse when spreading them is called for in what seems surprisingly to have become a politically pluralistic society. On the other hand, assistance-as-incentive is likely to be equally futile when neither the rewarder nor the rewarder knows exactly what behavior to encourage.

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<sup>4</sup>Perhaps *The Federalist Papers* can produce a few insights here as well as for EC, but at least the 13 American states, as the 12 EC members, were friendly to one another, which is not the case, currently or historically, for the Soviet Republics.

The answer, if there is an answer, may be to use assistance in detail, using devices ranging from sophisticated expertise to Peace Corps volunteerism to teach as well as to provide incentives, to assist the Soviets in working themselves toward a free economy. How to do this, or whether it can be done, remains open. It may involve small private or public projects, larger scale demonstrations, or joint planning by the Soviets and the West, for which the Marshall Plan provides a partial but incomplete analogy. The strong argument against such step-by-step assistance, pedagogy, and incentivization is that it is impossible to plan the way out of a planned economy, that the only way to go is to follow the Polish example, to free prices and everything else up all at once and see what happens. The strong argument in favor of such aid is that, even in Poland, the explosion may cause so much personal hardship that it will not work politically in a country that has become democratic, and that the Soviet Union is far more complex, needing conscious barrier-reducing and institution-building, which will not stem simply from freeing up of prices.

The near certainties are Soviet collapse on its current course and the dangers of such collapse to European stability and to the West. This is a short-run possibility that would radically transform all long-run prospects. What is called for is Western planning of how we might try to prevent the collapse—including planning of whether or not to plan.

This remains a perilous world: The Iraqi invasion of Kuwait and subsequent events have adequately demonstrated that. For Europe, the perils are matched with hopes—for integration and high prosperity in the West, democracy and economic turnaround in the East, and perhaps even the needed transformation in the Soviet Union. But the perils of despair, decline, and disintegration—in a continent equipped with nuclear weapons—must be overcome to achieve the promised hopes. This must be done even as the other three-quarters of the world presses in upon Europe and North America, as again illustrated in the Middle East. Hopeful times are not always easy times, and prudence and common sense dictate looking down at the next steps on a narrow path, even at the cost of taking our eyes off the horizon.